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News Summary

OFFICE OF THE PRESS SECRETARY

FRIDAY, MARCH 20, 1987 -- 6 a.m. EST EDITION

TODAY'S HEADLINES

NEWS CONFERENCE

Reagan Confident, Well-Rehearsed In Iran-Contra Press Conference
(Scripps Howard)

Reagan Vows No Repetition Of Iran Deal (Atlanta Constitution)

Reagan Defends His Motives In Iran Deal, Admits Errors (Boston Globe)

Iran Deal Went Awry: Reagan (Des Moines Register, The Tennessean)

Reagan Admits Iran Policy Failure (Minneapolis Star & Tribune)

President Denies He Knew Contras Got Arms Profits (Los Angeles Times)

Unaware Of Hostage Swap Until Tower Report, Reagan Says
(Washington Post)

On Stage: Ronald Reagan (UPI)

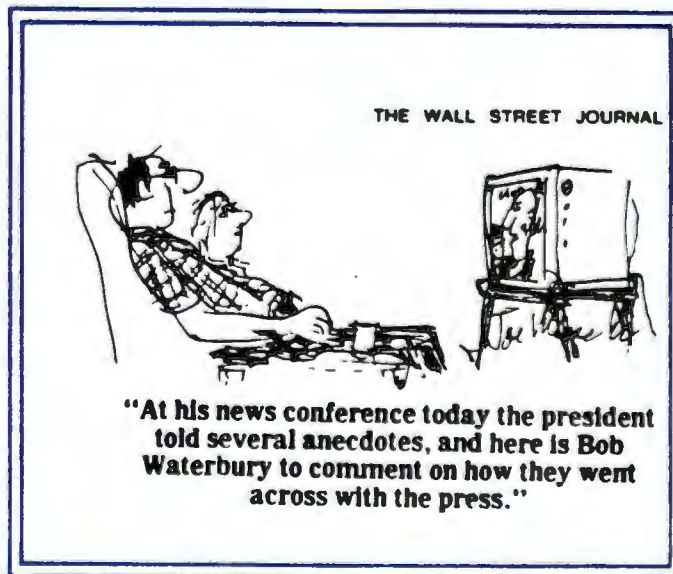
Reagan Defends His Hands-Off Management Style (Reuter)

NETWORK NEWS (Thursday Evening)

NEWS CONFERENCE -- The President will answer formal questioning on the Iran-contra affair.

VICE PRESIDENT/KHASHOGGI -- Vice President Bush denied he received a \$1,000 check from Adnan Khashoggi meant for the contras.

CONTRAS -- Contra supporters within the Administration are having doubts about the future.



NEWS CONFERENCE

REAGAN VOWS NO REPETITION OF IRAN DEAL

President Reagan acknowledged Thursday night that a sale of weapons to Iran had evolved into an arms for hostages deal and vowed he would "not go down that same road again."

"I don't see now that I can say that that isn't what it degenerated into," he said during his first White House press conference in four months.

Reagan's nationally televised session with reporters had been billed as one of the most important of his embattled presidency, but there were no major disclosures about the Iran-contra affair. He appeared in control and quick-witted. (Andrew Alexander, Atlanta Constitution, A1)

Reagan Defends His Motives In Iran Deal, Admits Errors

President Reagan exuding self confidence at his first news conference in four months last night acknowledged that he would not again authorize the Iran arms policy that has so hobbled his presidency. But he staunchly defended the beginnings of the initiative as proper.

Peppered with questions about the policy and his role in it the President said he had not known until the Tower commission's report that the policy became an arms for hostages exchange, still does not know where profits from the arms sales went, and said he believes that the extensive secret White House effort to arrange private aid for Nicaraguan rebels was not illegal. (Walter Robinson, Boston Globe, A1)

I Wouldn't Do It Again, Reagan Says

President Reagan at his first press conference in four months, said Thursday night that he would "not go down that same road again" -- and swap arms for hostages -- but insisted that he had made the right decision in 1985 to seek better relations with Iran.

He also acknowledged for the first time that he knew about a privately financed campaign to muster popular support for his policy of aiding the contra rebels in Nicaragua. He said he met with some contra supporters to thank them for sponsoring television ads designed to induce members of Congress to back his contra policy.

But in a news conference dominated by questions about the Iran-contra affair, the President denied that he knew profits from the Iran arms sales were being diverted to aid the contras.

(David Hess, Knight Ridder, Miami Herald, A1)

Iran Deal Went Awry: Reagan

President Reagan conceded last night that his Iranian policy had turned into an arms for hostages arrangement and said, "I would not go down that same road again."

In a question and answer session dominated by the Iran-contra affair Reagan also said he never deliberately lied to the public although he admitted to a misstatement at his last news conference in November. "I'm not going to tell falsehoods to the American people. I'll leave that to others." (Terence Hunt, AP, Des Moines Register, The Tennessean, A1)

Reagan Didn't Know Of Big Push By Two Aides

President Reagan insisted Thursday night that he was not aware of a two-year secret campaign organized by key White House aides, including two advisers he saw nearly every day, to ship millions of dollars in arms to Nicaraguan contra rebels.

It (the news conference) was widely considered an important test of Reagan's ability to reassure the nation that he had full grasp of the implications of the Iran affair and that he could revive his flagging leadership.

In contrast to his shaky performance at his last press conference on November 19, Reagan did not noticeably stumble or deliver any glaring misstatements of facts. (George de Lama, Chicago Tribune, A1)

Reagan Admits Iran Policy Failure

President Reagan conceded Thursday night that his Iranian policy had turned into an arms for hostage arrangement and said, "I would not go down that road again."

Reagan, who has appeared increasingly contrite in discussing the Iran episode in recent weeks said flatly that he would not order the same initiative, which has generated the most protracted and troublesome crisis of his presidency. The 39th press conference of Reagan's presidency was dominated by questions on the Iran-contra affair with the President striking a forthright posture in defense of his policy.

(Minneapolis Star & Tribune, A1)

I Wouldn't Do It Again, Says Reagan

President Reagan said Thursday his initial reasons for selling arms to Iran -- to win freedom for American hostages and reach out to moderate elements in Tehran -- were sound but that in hindsight, "I would not go down that same road again."

In his first news conference in four months, Reagan provided little new information of the Iran-contra affair, and maintained firmly that everything concerning his role is already known in the Tower commission's report.

(Norman Sandler, UPI, Salt Lake Tribune, A1)

Reagan Vows He'd Not Repeat Iran Follies

President Reagan said Thursday night that if he were faced with similar circumstances again, he would not sell arms to Iran.

But the President added: "I will keep my eyes open for any opportunity again to improve relations. And we will continue to explore every legitimate means of getting our hostages back."

Unlike his last news conference in November, Reagan appeared at ease during the nationally televised meeting with reporters at the White House. Although he was asked questions about acid raid, the ABM Treaty, and his energy policy, most of the questions focused on the controversial sale of military equipment to Iran and the diversion of arms sales profits to Nicaraguan rebels.

(Patrick Yack, Denver Post, A1)

Reagan Says He Wouldn't Do It Again

President Reagan repudiated his Iran policy initiative last night saying "I would not go down that road again."

In contrast to his appearance at his last formal news conference on November 19, when he was grim and even testy at times, the President last night appeared in command and almost eager to provide the public with an explanation of the initiative.

He met many of the persistent Iran-contra questions with smiles. His answers, however, reflected that he was still torn about the wisdom of the policy; he said at one point that he believed that it had been proper.

(San Francisco Chronicle, A1)

President Denies He Knew Contras Got Arms Profits

President Reagan emphatically denied Thursday that he had any prior knowledge that funds from the Iran arms-and-hostages deal were to be diverted to aid the anti-Sandinista rebels in Nicaragua.

In his first press conference in four months, Reagan was uncharacteristically subdued and unsmiling, but he appeared confident and unruffled as he fielded more than a dozen questions -- almost all involving the scandal and some of them sharply challenging his performance and past statements.

Reagan, who made major misstatements and seriously damaged his own credibility when questioned on the Iran-contra scandal at his last press conference on Nov. 19, made no serious mistakes Thursday night in an appearance aides hoped would stop his sharp slump in public opinion polls.

(Jack Nelson, Los Angeles Times, A1)

Unaware Of Hostage Swap Until Tower Report, Reagan Says

President Reagan said last night that his initiative toward Iran "degenerated" into a trade of weapons for the release of American hostages but asserted he was not aware of the bartering until he read about it in the Tower Board report.

Reagan acknowledged in a nationally televised news conference that he had made a "misstatement" in his last news conference when he four times denied Israel's role in the Iran arms sales, but he repeatedly insisted that he had tried to get the facts out and sought to emphasize that his motives were correct.

The President also broadened his statements that former national security adviser John Poindexter had not informed him either directly or indirectly that the Nicaraguan contras had benefited from the sale of arms to Iran. Reagan said he did not know if Poindexter and others assumed they were acting under presidential authority in their conduct of secret policies toward Iran and the rebels.

(David Hoffman, Washington Post, A1)

'I Would Not Go Down That Road Again'

President Reagan last night used his first press conference in four months to assure the American people that he is firmly in charge of his presidency and would not repeat the mistakes of the Iran-contra affair.

"I would not go down that same road again," Reagan said when asked if he would again approve a mission that he admitted deteriorated into an arms-for-hostages deal.

(Jeremiah O'Leary, Washington Times, A1)

On Stage: Ronald Reagan

President Reagan summoned all the acting techniques at his command -- an emotive voice, a bit of stage business, a ready quip -- for a critical 34-minute performance.

Reagan did little to advance the substantive knowledge about the Iran-contra scandal, sticking primarily to his heavily rehearsed script. He said, as he has since the affair was revealed last November, that he still believed the overture to Iran was primarily a geopolitical necessity -- not especially an arms-for-hostages trade -- and he knew nothing about the diversion of arms sales profits to the Nicaraguan rebels.

Afterward, reporters decided they made Reagan squirm but one cameraman had a more cautious review: "He pulled it off and that's what Joe Six-Pack will think."
(Helen Thomas, UPI)

Reagan Confident, Well-Rehearsed In Iran-Contra Press Conference

Confident and well-rehearsed, President Reagan firmly denied at his 40th press conference Thursday night that he knew -- or forgot he knew -- that profits from the Iran arms sale were illegally diverted to the contras.

Reagan said he thought at the outset that selling arms to the terrorist state of Iran was proper. "If I hadn't thought it was right in the beginning, we never would have started that." But, he added, in hindsight he would not "go down that road again."

(Ann McFeatters, Scripps Howard)

Reagan Defends Iran-Deal Motives But Wouldn't Do It Again

President Reagan, staying cool under a televised grilling on the Iran-contra scandal, tonight insisted he has told all he knows about the crippling affair and said he would do it all differently given a second chance.

He appeared to bring it off without major stumbles, abetted by a press corps that seemed at pains to maintain a civil manner until the very end when it crowded round him trying to get in one last question as he was leaving the rostrum in the White House East Room.

He often responded slowly and deliberately but never seemed at a loss for words, or vintage Reagan mannerisms.
(David Nagy, Reuter)

Reagan Says He Would Not Repeat Iran Arms Initiative

President Reagan told a televised news conference last night he would do things differently to achieve the policy goals that led to the Iran scandal.

Reagan appeared in control as he fielded questions publicly for the first time in four months about the scandal that has rocked his presidency. He vowed to continue to seek better ties with Iran and explore "every legitimate means" to secure the release of the eight hostages still held by pro-Iranian elements.

White House aides, who were clearly nervous about what was seen as one of Reagan's most crucial public appearances since he entered the White House, were elated afterward.
(Gene Gibbons, Reuter)

Reagan Says He Would Not Embark On An Iran Arms Sale Operation All Over Again

President Reagan said Thursday night he would not again embark on an operation such as the one that resulted in the sale of U.S. arms to Iran.

In his first news conference since Nov. 19 and his second since the initial revelations about the arms sales to Iran, Reagan's answers appeared to break little new ground about his own role in the controversy that has threatened to cripple his effectiveness during the remaining days of his presidency.

However, the President's humor and forthright manner seemed to serve him well in an encounter with the press that was viewed as possibly crucial in determining whether he could recover the political initiative or would remain on the defensive. (Finlay Lewis, Copley)

Congressional Reaction

Republicans praised President Reagan's performance at his news conference Thursday night as a possible turning point in the Iran-contra scandal and Democrats said the President was "cool, calm and collected" but bordered on being dull.

Sen. Robert Dole, listening to the news conference aboard a plane to New England for political appearances, said, "Ronald Reagan was responsive, forthcoming and in command of the facts. The critics who were looking for ammunition, came up with blanks."

A spokesman for Sen. Dole said he telephoned the President and said, "Mr. President, you hit it out of the park."

"He was in charge. He was superb," said Sen. Warren Rudman.

"He had a lot of facts at his fingertips, and he seemed to prepared for it," said Sen. Howell Heflin. "He did relatively well."

Sen. George Mitchell said Reagan "did pretty well. He as relaxed. I think it will help him overall."

Sen. Mark Hatfield said, "If no new revelations emerge, I would describe this as a turning point in this difficult period of the Reagan presidency."

"I thought the President did very well," said Sen. Alan Simpson. "He has been a little off balance with this thing," he added. "But today and tonight...he was his old self."

"As a Republican, I'm delighted with his performance tonight," Rep. Dick Cheney said. "As Reagan press conferences go, I think this was one of the best."

"I think the President was clearly way ahead of where he's been previously," said Sen. John Kerry. "There was more evidence of a president able to deal with some subjects, but there are still lots of questions.... I think the American people have significant doubts about some of the remaining questions." (Linda Werfelman, UPI)

Reagan Defends His Hands-Off Management Style

A newly-confident President Reagan tonight defended his hands-off management style as proper and sought to deflect widespread criticism his detached approach had allowed the Iran arms debacle to happen.

Reagan, appearing at his first formal news conference since his gravest political crisis erupted last November, easily fielded some tough questions -- including this one on whether he was in full control of the reins of power: "If you were truly unaware of the millions of dollars going to the contras...what does that say about your management style?" the reporter asked.

Reagan responded, "I have been reading a great deal about my management style.... It was a proper management style."

(Sue Baker, Reuter)

Reagan's Memory Of Iran Affair Decision Remains Hazy

President Reagan shed little new light at his news conference tonight on the secret sale of arms to Iran and the possibly illegal diversion of millions of dollars in profits to contra rebels in Nicaragua.

His statements on the affair have followed a contradictory path since the operation burst into the public domain last November.

(Robert Kearns, Reuter)

President Stands Fast On 2 Points

Facing a severe test of his ability to present a coherent defense of his Iran-contra policy, President Reagan firmly stood his ground last night before a barrage of questions that challenged his credibility and his competence.

At his first nationally televised news conference in exactly four months, Reagan demonstrated that he has no intention of yielding on the two essentials of the defense he has constructed in a series of statements and speeches about the scandal that has threatened his presidency.

The essentials, which Reagan repeated last night in varying forms, are that he did not intend his Iran initiative to turn into the trade of arms for hostages that he acknowledges it became. The other essential, as Reagan tells it, is that he knew nothing about diversion of proceeds from the Iran arms sales to the Nicaraguan contras until Attorney General Edwin Meese informed him of it the day before it was disclosed publicly last November.

(Lou Cannon, News Analysis, Washington Post, A1)

Reagan Survives Press Grilling, But Questions Unanswered

President Reagan tonight avoided obvious missteps in his news conference on the Iran arms sale, but his inability to answer key questions probably left public doubts about whether he is fully in command, political analysts said.

Reagan appeared tense but cool in his first formal news conference in four months. He only occasionally flashed the "aw shucks" grin that has characterized his past exchanges with reporters and helped him win personal affection of most Americans.

"I would give him a passing B, which is what you give a graduate student when you don't want to flunk him," said Stephen Hess of the private Brookings Institution public policy group.

"He appeared to be a very nervous man who felt besieged -- but very well briefed as to the facts," former White House press secretary George Reedy told Reuters.

But Reedy, one-time spokesman for president Lyndon Johnson, and other political analysts said Reagan may benefit somewhat from a general public tendency to perceive hostile press questioning as an affront to the nation.
(Michael Gelb, News Analysis, Reuter)

Reagan Helps Self With Press Conference But Has A Long Way To Go

President Reagan took another step on the long road to political recovery with a press conference performance that was stylistically superb even while providing little that was new substantively.

Gone for the night was the stumbling, poorly prepared President who barely survived his most recent press conference back on Nov. 19, in the days before the White House realized the extent of the damage being done to the Reagan presidency by the continuing revelations about the attempt to trade arms for American hostages.

Gone for the most part were the President's stubborn refusal to acknowledge that his policy had been flawed in both conception and implementation.

And gone as well was the need for embarrassed aides to rush out with corrections and "clarifications" of presidential misstatements as was the case Nov. 19.
(George Condon, News Analysis, Copley)

REAGAN HOPES CARTER CAN HELP FREE LEBANON HOSTAGES

President Reagan said tonight his predecessor Jimmy Carter, now on a tour of the Middle East, was not carrying a message from him to Syria on efforts to free foreigners held hostage in Lebanon.

But he told a televised press conference he would be grateful if Carter were to make an effort to win their freedom during a visit to Damascus this weekend.
(Michael Battye, Reuter)

MOSCOW EXCEEDS ABM PACT, U.S. NOT MADE DECISION, REAGAN SAYS

President Reagan charged tonight that Moscow had exceeded a traditional restrictive reading of the 1972 ABM Treaty and said the U.S. saw no reason yet to follow suit.

"We're still operating within the narrow limits (of the treaty) and we have no reason to go outside them as yet and it will be some time before we do. We haven't arrived at a decision or set a date yet," Reagan said tonight.

But tonight Reagan was asked only one question on arms control -- about the ABM Treaty -- and he did not offer any information on superpower relations. (Carol Giacomo, Reuter)

No Change In Policy On Treaty -- For Now

President Reagan last night said the U.S. will continue for "some time" to abide by the so-called narrow interpretation of the 1972 ABM Treaty.

But in defending the Administration's more liberal reading of the ABM pact to allow testing and development of such exotic systems as his SDI, Reagan quoted Marshall Grechko, Soviet defense minister when the treaty was negotiated.

"It (the treaty) imposes no limitations on the performance, the research and experimental work aimed at resolving the problem of defending the country against nuclear missile attack," the President quoted him as saying. (Willis Witter, Washington Times, A1)

INTERNATIONAL NEWS

HOLLINGS BACKS ADMINISTRATION ON ABM TREATY

Sen. Ernest Hollings said yesterday that he supports Administration efforts to interpret the 1972 ABM Treaty as allowing development of SDI and charged that Senate Armed Services Committee Chairman Sam Nunn is being "used by those who want to kill" the program.

Taking issue with Nunn on interpretation of the treaty's negotiation record, Hollings said the record is "unambiguous" in permitting development of "futuristic technologies," such as those contemplated by SDI, also known as "Star Wars."

Hollings also expressed alarm at congressional compromise proposals that would postpone some contested SDI tests and defer a final interpretation of the treaty during the current round of arms control negotiations with the Soviets. (Helen Dewar, Washington Post, A10)

BROAD VIEW OF ABM PACT SUPPORTED BY NEW EVIDENCE

The Defense Department has uncovered significant new evidence to bolster the Administration's argument that the 1972 ABM Treaty allows extensive SDI testing, according to senior Pentagon officials.

The 15-year-old documents, discovered recently in federal archives, lend credence to the Administration's claim that the ABM Treaty allows testing and development of exotic missile defenses, the officials said.

(Warren Strobe & James Dorsey, Washington Times, A1)

CARTER ATTACKS REAGAN IN SPEECH IN CAIRO

Successor Accused Of Favoring Use Of Force Over Negotiations

CAIRO -- In one of his harshest attacks on the Reagan Administration, former president Jimmy Carter told a group of businessmen and diplomats here today that President Reagan "is more inclined to form a contra army to overthrow the Sandinistas or inject the Marines into Lebanon or use American battleships to shell villages around Beirut" than to seek negotiated solutions in foreign policy disputes.

He forcefully denounced what he called the "missing leadership" in Washington and the absence of "courage, tenacity and dedication" among Middle East political leaders who have let the peace process founder during the Reagan era. (Patrick Tyler, Washington Post, A1)

CONTRAS OVERWHELM 2 SANDINISTA OUTPOSTS

MIAMI -- Nicaraguan rebel forces overran two Sandinista army outposts earlier this month, capturing large quantities of ammunition and medicine, a rebel spokesman here said yesterday.

Although the attacks could not be independently confirmed, the rebel claims come at a time when their military activity is clearly on the rise.

(Glenn Garvin, Washington Times, A1)

U.S. PLANS TO RESTORE U.N. FUNDS Steps Toward Reform Deemed Satisfactory

The Reagan Administration, satisfied with the start of fiscal and administrative reforms at the United Nations, wants to pay U.N. contributions it withheld this year and change a law that curbs U.S. funding, State Department officials testified yesterday.

Alan Keyes, assistant secretary of state for international organizations, told the Senate Foreign Relations Committee that, if Congress grants the request to add "such sums as may be necessary" for that purpose to next year's foreign aid allocation, it would be "buying an institutional, structural change" at the U.N. and "a consolidation of effective leverage for the U.S."

Vernon Walters, U.S. ambassador to the U.N., told the committee that his delegation and U.S. allies had used the fund-withholding tactic "to restore the United Nations, not to destroy it."

(Joanne Omang, Washington Post, A19)

U.S. PROPOSES ARMS IN LIEU OF AID Turkey, Greece, Portugal Would Be Compensated For Hill Cuts

The Reagan Administration will propose next month to give military equipment to Turkey, Greece and Portugal to compensate for congressional cuts in foreign aid, according to diplomatic and Administration officials.

State and Defense Department officials confirmed that the Administration will notify Congress next month of its intention to transfer "substantial" military supplies -- including tanks, jet aircraft and engines, patrol vessels, trucks and heavy artillery -- from surplus stocks to Turkey, Greece and Portugal.

(Joanne Omang, Washington Post, A30)

PENTAGON TARGETS COMPANIES IN JAPAN, NORWAY

The Defense Department is about to announce sanctions against Toshiba, a Japanese electronics giant, and a Norwegian company for diverting sensitive Western military technology to the Soviet Union, it was learned yesterday from sources outside the government.

The sources and officials said Toshiba and Kongsberg had sold the Soviet Union four room-size milling machines to produce quiet propeller blades for submarines. They said this machinery had enhanced the Soviet Union's capacity to move its submarines within 10 minutes' missile flying time from the U.S. coast.

(James Dorsey, Washington Times, A1)

NORTH KOREA WELCOMES U.S. SHIFTS ON CONTACTS

TOKYO -- North Korea, responding to a U.S. decision to lift a ban on substantive contacts between diplomats of the two countries, declared yesterday it is ready to contact U.S. officials anywhere, anytime and in any manner.

"It could be welcomed that the U.S. has expressed its attitude on allowing its officials, though limited ground, to have conversations with us by easing its previous limitations to a certain extent," according to a statement by a North Korean Foreign Ministry spokesman.

(Edward Neilan, Washington Times, A1)

STATE DEPT. AIDE SAYS LIBYA MAY RESUME TERROR

A top State Department official said yesterday that Libya, after an extended period of restraint, may have begun planning to resume terrorist attacks.

Paul Bremer, director of the counterterrorism office, said his assessment is based on intelligence data from the past two months.

(AP story, Washington Post, A27)

U.S. WARNS TEHRAN ON MISSILE MENACE

Weapons Threaten Oil Flow; Naval Escort For Tankers Considered

An Iranian military threat to interrupt the flow of Persian Gulf oil with newly tested Chinese-made missiles has prompted U.S. warnings to Tehran and intensified diplomatic activity by the Reagan Administration in the last two weeks, Administration officials said yesterday.

The Administration is also said to be considering very seriously an informal approach, suggested earlier this year by oil-rich Kuwait, by which U.S. naval vessels would escort Kuwaiti tankers increasingly under Iranian attack.

(Don Oberdorfer, Washington Post, A27)

REAGAN FREEZES DUVALIER'S U.S. ASSETS

President Reagan, with prompting from Congress, has signed an executive order freezing the U.S. assets of deposed Haitian president Jean Claude Duvalier and his associates -- a move that will enable the present government to try to reclaim millions of dollars siphoned from the impoverished country's treasury.

Duvalier and members of his family drained Haitian coffers of an estimated \$120 million during Duvalier's 15-year reign, according to lawyers representing Haiti. About \$8 million of those funds were used to buy four apartments in New York City and an 86-foot yacht called the Niki in Miami, and to set up several bank accounts, the lawyers said.

(Eric Pianin, Washington Post, A21)

NATIONAL NEWS

HIGHWAY BILL PASSES AFTER VETO THREAT Construction Funds, 65 MPH Speed Limit May Be Jeopardized

The Senate defied veto threats yesterday and gave final approval to a six-year, \$87.5 billion highway and transit bill. It is expected to approve, perhaps today, companion legislation to raise the 55 mph speed limit on the interstate highway system.

The Senate passed the politically popular highway bill by a vote of 79 to 17 only minutes after Minority Leader Robert Dole read a letter from President Reagan reaffirming his objections to the cost and saying he will not sign the bill "in its current form."

But Sen. Dole indicated that Republicans may seek to amend the separate speed-limit measure when it comes to the floor to include a less costly version of the highway bill that would satisfy the President's objections.
(Helen Dewar, Washington Post, A4)

REAGAN DEFENSE REQUEST SLASHED House Budget Panel's Republicans Refuse To Participate In Vote

The House Budget Committee, with virtually all its Republicans refusing to vote, tentatively agreed yesterday to cut \$24 billion from President Reagan's \$312 billion request for defense spending authority in the fiscal year beginning Oct. 1.

Republicans had demanded that the Democrats present a fiscal 1988 budget proposal, in the way that the Administration has. Instead, the Democrats are using the 1987 federal budget as a baseline and making changes in it.
(Tom Kenworthy, Washington Post, A10)

DRUG TESTING OF TEACHERS IS PROMOTED BY MEESE An Apparent Split With Education Secretary

In an apparent split with Education Secretary William Bennett, Attorney General Edwin Meese yesterday endorsed the idea of testing public school teachers for drug use.

"We in the Department of Justice view freedom from drugs as a valid condition of employment for school-teachers," Meese said, noting that courts have upheld the legality of drug testing for racehorse jockeys, prison guards and transportation workers. "It seems to me almost an insult to teachers to maintain that their jobs are any less important."

Loye Miller, a spokesman for Secretary Bennett, said he considers the decision on testing to be a local one that should not be dictated by the federal government. "The secretary feels like that subject -- like what is taught in sex education -- is very much a matter of local discretion," Miller said.
(Mary Thornton, Washington Post, A15)

CANADIAN ENVOY PROVIDED ANSWERS TO DEEVER PROBE Statements Led To One Count Of Indictment

TORONTO -- Canadian Ambassador Allan Gotlieb supplied information, in the form of written answers to questions posed by the independent counsel, that provided the basis for one of the five counts of perjury in the indictment of former White House deputy chief of staff Michael Deaver.

The unusual procedure was employed to circumvent Canadian anxiety about setting a precedent of waiving diplomatic immunity if Gotlieb and other Canadian diplomats agreed to provide live testimony to the U.S. grand jury that indicted Deaver, according to External Affairs Ministry spokesman Paul Frazer. He said he knows of at least two such written statements.

The spokesman said in a telephone interview in Ottawa that he did not know what position the Canadian government might take if Gotlieb and other Canadian officials are subpoenaed to testify at a trial.

(Herbert Denton, Washington Post, A1)

SPECIAL-COUNSEL LAW ASSAILED BY JUSTICE OFFICIAL

A senior Justice Department official said yesterday that the Reagan Administration ought to have broad authority to hire, fire and control the investigations of independent counsels appointed under the Ethics in Government Act.

Assistant Attorney General John Bolton told a Senate subcommittee that he regards the 1978 law governing the appointments as "unconstitutional" in every important respect and suggested that it be changed to win the Reagan Administration's support for renewal. It is due to expire in January.

Sen. Carl Levin, chairman of the Governmental Affairs subcommittee that oversees the law, accused Bolton of proposing what amounted to a return to the "very dark days" of Watergate, when President Richard Nixon fired special prosecutor Archibald Cox for insisting on access to Nixon's White House tapes.

(George Lardner, Washington Post, A15)

KEY DEMOCRATS BACK WELFARE PACKAGE

House Democratic leaders launched a drive yesterday for a major revision of the nation's welfare system, with Speaker Jim Wright and Ways and Means Committee Chairman Dan Rostenkowski endorsing a comprehensive welfare package drafted by Rep. Harold Ford.

Wright said at a news conference on welfare, "The Ford plan will replace Aid to Families With Dependent Children with a new Family Support Program. This program will be better than our present system," and will aim "to help people make that jump" from welfare rolls to full-time employment.

Wright said the main reason people don't work is that "they lack the basic education and skills," and that therefore the bill properly emphasizes training and education of welfare recipients.

(Spencer Rich, Washington Post, A4)

BILL SEEKS PERMANENT BAN ON FUNDING FOR ABORTIONS

Fifty-seven congressmen and seven senators yesterday introduced a Reagan Administration bill to permanently ban federal funding of abortions and cut off money to family planning agencies that perform or make referrals for abortions.

Rep. Henry Hyde, a lead sponsor of the bill, admitted he does not have the support of House leaders, which could keep the legislation from coming to a vote. (Mary Belcher, Washington Times, A3)

TEENS URGED TO STAND FOR BELIEFS

ATLANTA -- Teen-agers who say "no" to drugs may feel alone but they're not, First Lady Nancy Reagan told an anti-drug convention here.

"There are millions of kids who would stand by your side if they knew you needed help," said Mrs. Reagan, addressing the annual convention of the National Parent's Resource Institute for Drug Education, or PRIDE.

"Standing for what you believe in can be difficult," she said. "It's hard to be your own person." (AP story, Washington Times, A2)

EDITOR'S NOTE: "The Gala With A Chili Reception" -- A James Brady Presidential Foundation fund-raiser, by Victoria Dawson, appears in The Washington Post, C4.

IRAN — NICARAGUA

BUSH DENIES REPORT ON CONTRA ROLE Aid Money Solicited, Saudi Tycoon Says

Vice President Bush yesterday denied a published allegation by Saudi Arabian tycoon Adnan Khashoggi that Bush had solicited money for the Nicaraguan contras and had received a \$1,000 check from Khashoggi for the rebels.

Craig Fuller, Bush's chief of staff, said, "The Washington Times' front-page headline is not justified by the transcript of the interview, and Khashoggi is wrong."

A spokesman for the newspaper, Larry Chandler, said The Washington Times "stands behind the accuracy of its account" of Khashoggi's remarks. "The account of his remarks was based on the transcript of the interview as taken from the tape recording and speaks for itself."

(David Hoffman, Washington Post, A13)

Bush Denies He Funneled \$1,000 Check To Contras

Vice President Bush's spokesman denounced as "false and misleading" a report published yesterday in which Saudi financier Adnan Khashoggi said he sent the Vice President \$1,000 for the Nicaraguan resistance in 1985.

"The Vice President never has solicited funds from Mr. Khashoggi or Mr. [Bob] Shaheen to provide assistance to the Nicaraguan resistance," said Larry Thomas, Bush's press secretary. Khashoggi described Shaheen as a top aide.

(AP story, Washington Times, A1)

SINGLAUB SUGGESTED FUND DIVERSION IN '85 Plan Resembles Iran Deal By North To Aid The Contras

Retired major general John Singlaub, who directed a highly visible campaign to raise private funds for the Nicaraguan rebels from 1984 to 1986, said he also solicited two foreign governments for donations, and suggested that he could help them conceal their contributions from Congress by overcharging them on an arms deal and diverting the proceeds.

Singlaub said he discussed his diversion plan, which ultimately was rejected by both countries in favor of other forms of contributions, with Lt. Col. Oliver North, then a National Security Council aide who was coordinating White House efforts to sustain the rebels during a congressional ban on U.S. military aid.

Singlaub's plan is strikingly similar to what allegedly happened nearly a year later in the sale of U.S. arms to Iran, when North arranged for weapons to be sold at inflated prices, creating a pool of money that could be used to buy arms for the Nicaraguan rebels, also known as contras.

(Patrick Tyler, Washington Post, A1)

SENATE CITES SECORD FOR CONTEMPT
Imprisonment To Be Sought Unless Foreign Bank Records Released

The Senate last night took a first step toward compelling a key figure in the Iran-contra affair to sign a directive permitting release of his foreign bank records or face jail.

By unanimous consent, the Senate approved a resolution from its select committee investigating the controversy that cites retired Air Force major general Richard Secord for contempt of Congress for disobeying an earlier order to authorize that the information be turned over.

If Secord continues to refuse to sign the waiver, lawyers representing the Senate will ask the U.S. District Court to enforce the order by making Secord sign the directive or go to jail.

(Dan Morgan & Walter Pincus, Washington Post, A13)

Senate Votes Contempt Motion Against Iran-Contra Figure Secord

The Senate voted Thursday to cite retired Air Force Maj. Gen. Richard Secord for contempt in an attempt to tighten the vise on a key figure in the Iran-contra affair.

The Senate select committee investigating the Iran-contra affair voted on Wednesday to set the contempt process in motion after Secord refused a Feb. 23 order that he give consent for overseas banks to turn over records of accounts he may have controlled.

His action "has frustrated the committee in its efforts to answer critical questions relating to the flow of funds from the sales of arms to Iran to the Nicaraguan resistance forces," the committee said in a report accompanying the contempt citation.

(Jim Drinkard, AP)

IRAN-CONTRA PANEL GETS PROBE OF STATE

The House Foreign Affairs Committee, stymied in its probe of secret State Department contracts to promote the Nicaraguan resistance, has turned the matter over to the House panel investigating the Iran-contra affair.

Rep. Dante Fascell, the Foreign Affairs Committee Chairman, said his committee will continue probing six State Department contracts totaling nearly \$420,000 to International Business Communications and one of its two principals, Frank Gomez.

But, Fascell said in a letter to other committee members, "it is becoming increasingly apparent that the Select Committee [on the Iran-contra affair] may have to use its subpoena powers to obtain the full story."

(Mary Belcher, Washington Times, A5)

KIDNAPPED NEWSMAN'S SISTER SAYS TO MOVE ON FROM ARMS DEAL

The sister of kidnapped American newsman Terry Anderson said Thursday the Reagan Administration's Iran arms deal was a mistake but called on members of Congress to put the issue behind them.

"I think it's kind of sad that all of these officials in Washington that we have elected have been so involved in this autopsy to the exclusion of everything else," Peggy Say said at a news conference before speaking at Vanderbilt University.

(Christopher Burns, AP)

-End of A-Section-

NETWORK NEWS SUMMARY

(Thursday Evening, March 19, 1987)

NEWS CONFERENCE/POLL

NBC's Tom Brokaw: President Reagan tonight holds his first nationally televised news conference in four months, his first full question and answer session since the Tower commission report on the Iran-contra affair, his first since the appointment of Howard Baker as White House Chief of Staff. The President has gone through two rehearsals with his staff in the family theater at the White House for tonight's appearance, and the latest NBC News-Wall Street Journal Poll conducted just this week demonstrates why it is so important for the President to do well tonight. The Poll of more than 2,000 people shows President Reagan's approval rating at 45%. He has not bounced back since our last poll in January. And this survey finds that public skepticism is now very deep. 54% think the President is not paying enough attention to his job; 68% think that he's not as much in charge of the White House as he should be. If that's true, who will make the important decisions over the next two years? In our poll 31% say White House Chief of Staff Howard Baker; 29% say members of the President's Cabinet; and only 27%, barely one-in-four, name President Reagan; 6% name First Lady Nancy Reagan. The poll also shows how much the Iran affair continues to hurt the President: 49% think that he's not doing all he can to resolve the scandal; 47% still think that he mishandled our relations with Iran; and 41%, four-in-ten, think that President Reagan should resign if it turns out he knew that money was being diverted to the Nicaraguan contras. So the stakes are high for the President tonight. A strong performance would be a big help in repairing his credibility. A weak showing, on the other hand, could drive down those poll numbers even lower. Anticipation is running high.

NBC's Chris Wallace: With the President answering questions about the arms scandal for the first time in four months, the buildup today seemed more appropriate to a superbowl than a news conference.

(TV coverage: The President entering his last news conference on November 19, 1986.)

USA Today had readers phone in the question they'd like to ask Mr. Reagan. On the Senate floor the Democratic Majority Leader was asking his own questions.

(Sen. Byrd: "Millions of Americans have a nagging suspicion that the truth has not yet come out.")

With the President out of sight rehearsing his answers, White House reporters interviewed each other about the buildup for the news conference. At one point NBC was taking pictures of CNN taking pictures of ABC interviewing NBC. Helen Thomas, a veteran of news conferences since the Kennedy years, says this is one of the biggest.

(Helen Thomas, UPI reporter: "After Richard Nixon went five months during the Watergate scandal and then he really had to go into the lion's den, it almost has that kind of same atmosphere.")

Advisers say the President's first job tonight is to answer lingering questions about the arms scandal such as why can't he remember key decisions? Why did he say in his last news conference Israel was not involved when it was?

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Wallace continues:

(TV coverage: Still photo of the President with words beside.)

The President did some of that in his speech two weeks ago.

(TV coverage: The President giving his speech from the Oval Office on March 4, 1987.)

But even a former adviser says a news conference is different.

(David Gergen: "If he stumbles or he doesn't appear to be in command of the facts, then people will say, 'Well he's terrific with a script, but he still doesn't understand...'")

That leads to what friends and critics say is Mr. Reagan's real test.

(TV coverage: The President walking with Howard Baker outside the O.E.O.B.)

More than any specific answer they say he must reassure the public by his general performance, that he is still up to the job.

(Robert Squier, political analyst: "I think what Ronald Reagan has to do is to convince us that he's telling the truth and that he's in command of the presidency.")

Still, like a superbowl, there may be some hype to this event. Officials here say that getting the President out of the arms scandal will take time, and that the most important fact about this news conference may be that the President is finally getting it over with.

(NBC-Lead)

ABC's Tom Jarriel: The drought tonight will be broken, the drought of information under formal questioning from the White House from President Reagan himself on the Iran-contra scandal. At 8:00 p.m. eastern time Mr. Reagan has scheduled his first news conference in four tumultuous months. With so many major questions stacking up for so long, the news conference has taken on enormous importance.

ABC's Sam Donaldson: Four months ago tonight Ronald Reagan met the press and it turned out to be a disaster.

(TV coverage of the news conference: Donaldson: "How can you justify this duplicity?" President Reagan: "I don't think it was duplicity." Jeremiah O'Leary: "What would be wrong at this stage of the game from saying that a mistake was made?" President Reagan: "Because I don't think a mistake was made." Charles Bierbauer: "Mr. President, I don't think it is still clear just what Israel's role was in this." President Reagan: "We, as I say, have nothing to do with other countries.")

This time the President and his top aides know he must do better and today White House reporters were busily interviewing each other about what they think people will be looking for.

(Chris Wallace: "I think there is general question out there whether or not he is up to the job, whether or not he is still in command of this Administration.")

Helen Thomas: "I think he has to answer questions this time around. I mean the whole public perception, his credibility has fallen. He's gotta come through and he's gotta explain.")

Newspapers printed scores of possible questions for the President about the Iranian-contra scandal. Why did he do it? Why can't he remember? Does he still think Col. North is a national hero? Press Secretary Marlin Fitzwater says the President is ready to answer and will do well. And what is well? There are two tests according to two former press secretaries.

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Donaldson continues:

(Jody Powell: "Whether in fact what he says does stand up to what we know about the facts. Whether he seems to have a grasp of them, and whether he seems to be willing to be candid about them.")

Larry Speakes: "I think it is as important for the President in style as much as it is in substance. The public, the press will be looking at the President to see how he performs as well as how well he performs.")

And the public will also be looking at the press.

(Donaldson: "A lot of people think you are vicious and that you are really a mad dog. How do you react to it?" Helen Thomas: "Well, I'll let the chips fall where they may. I mean we have been called a lot of things but that doesn't matter. The most important thing is for us to do our job, to get the information out. Let the people decide.")

Yes, the public will decide by whatever test it chooses, style, substance, or both. And its decision may profoundly affect the rest of Mr. Reagan's presidency. (ABC-Lead)

CBS's Dan Rather: President Reagan tonight will publicly answer questions for the first time in four months. Mr. Reagan has been trying especially hard to avoid questions about his secret weapons-for-Iran deal, where and to whom the money went and whether he really has been in charge. How he handles such questions tonight will be watched and analyzed closely at home and abroad.

CBS's Bill Plante: President Reagan rehearsed further explanations of the Iran arms deal this afternoon, preparing for his first news conference in four months. The daily barrage of headlines on the scandal today included reports that Robert McFarlane failed to tell Congress about a Saudi offer to help the contras. And Saudi financier Adnan Khashoggi claimed that he gave Vice President Bush a check for \$1,000 for the contras. Bush's press secretary said he never accepted money and, to the best of his knowledge, does not know and never has met Mr. Khashoggi. Despite the Tower commission's report, many unanswered questions about the arms scandal remain.

(Sen. Byrd: "Millions of Americans have a nagging suspicion that the truth has not yet come out.")

Since the President's last news conference, the diversion of funds from the Iran arms sales to the contras was revealed, the national security adviser resigned, Oliver North was fired, and Mr. Reagan's chief of staff was forced out. The President hasn't been talking.

(President whispers to the press: "I lost my voice.")

So how much is riding on tonight's news conference?

(Lee Atwater: "I don't think the President's got any great expectations of what he has to do tonight other than to look in the camera and tell the truth.")

The most important question, I think, is that Mr. Reagan show he's in command of the situation. White House officials believe generally that people pay less attention to the substance of what he says in these news conferences than to the impression he leaves, so they want him to show tonight that he can think on his feet.

CBS's Bruce Morton reports on the evolution of the press conference....

(Larry Speakes: "It's a ritual you have to go through. I think you have to prove your manhood, so to speak, with the press corps.")

But that's not what Franklin Roosevelt did when he met his press corps informally about twice a week in his office. They were news conferences.

(David Broder: "I think a news conference is a very important vehicle for letting the American people see and hear exactly what the President thinks about the matters that are in the news.")

...After Eisenhower, presidents held fewer news conferences and they didn't work as well.

(Broder: "It tends to become a theatrical or political event in which the reporters, uncomfortably, become the political opposition.")

(George Reedy, former press secretary: "The press usually winds up regarding the president as kind of a blue sky artist, peddling phony oil stock, and the president on the other hand looks upon the press as a bunch of ghouls.")

And this President does make factual mistakes when working without a script.

(President at Nov. 19 news conference: "We, as I say, have had nothing to do with other countries, of their shipment of arms or doing what they're doing.")

The question was arms to Iran and the White House had to correct the President. Yes, there was another country involved: Israel.

(Herb Klein, former press secretary: "I think had he been having press conferences regularly, perhaps some of the things that slipped by in the Iran situation may not have.")

Everyone we talked to agreed presidents, press and public would benefit from more news conferences, but --

(Speakes: "They would have more if they thought the questions would be something that they could deal with on a more rational basis. And I think the less they have the more irrational the questions get. So it really is a catch-22.")

As for this President and tonight's press conference, it can help or hurt Mr. Reagan but not make or break him. The President and the press will both show up for work as usual tomorrow. (CBS-Lead)

VICE PRESIDENT BUSH/POLL/KHASHOGGI

Brokaw: The latest NBC News-Wall Street Journal poll can't be very comforting to Vice President George Bush. By a margin of almost two to one, 54-29 percent of the people we questioned believe that being Ronald Reagan's Vice President has hurt Bush's chances of being elected president of the United States. On another matter, Bush today issued a lengthy denial of a published report that he solicited a contribution of \$1,000 for the contras from arms dealer Adnan Khashoggi. But the Vice President did acknowledge that he sent Khashoggi a letter thanking him for supporting the Administration's legislative efforts. (NBC-2)

Jarriel: Vice President Bush denied today that he ever received a \$1,000 contribution from Saudi Arabian arms dealer Khashoggi meant for the contras. He called the stories false and misleading. (ABC-4)

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CONTRAS

Brokaw: The contras were controversial enough before this scandal broke and there were many questions about their chances of military success. Now even contra supporters within the Administration are having doubts about the future.

NBC's Anne Garrels: Several Administration officials in charge of contra policy now say they've created a monster. By emphasizing military success these officials say they've failed to recruit credible contra political leaders. To salvage the contras military reputation U.S. officials promise that with training in guerrilla tactics the contras will improve by summer. Their political image will be harder to deal with.... Critics say the CIA help could well backfire.

(Sen. Dodd: "I think what it demonstrates is that the Nicaraguans may be right. And that's what they're gonna be telling people. 'We're not fighting the contras, we're fighting the United States.'")

The results so far are disappointing. Officials admit the contras tend to go for easier civilian targets not on the CIA's list. And though the Administration is trying to improve the contras human rights record, officials say they cannot control the contras in the field. A recent high-level defector from the Sandinista military has told the CIA that while the Sandinistas may not be popular, the contras have even less support and are considered thugs by the population. A senior State Department official now says the Administration should never have relied on the old Nicaraguan aristocracy to lead the contras. State Department officials blame the CIA for repeatedly blocking efforts to find leaders among the rebels. Officials claim the CIA is scared that anyone removed from his post would go public implicating the CIA in possible illegal dealings. After more than five years, the Administration is still looking for a popular contra leader and a string of contra military successes. (NBC-3)

ABC's Bob Zelnick reports Administration sources have confirmed that the CIA has furnished contra forces with blueprints of bridges, dams, ports and other installations the agency hopes to see attacked in the months ahead. Many were constructed with U.S. aid before the Sandinista revolution. While no one claims the CIA action is illegal, some see it as further proof the U.S. should not be aiding the insurgency. Administration officials say the move against the facilities is part of a legitimate contra strategy to undermine Sandinista authority while seeking more American aid.

(Elliott Abrams: "That strategy isn't changing at all. Nor is the strategy which they are pursuing, which they, the contras, are pursuing, changing. It is a kind of standard guerrilla war, low intensity conflict strategy.")

Noel Koch used to head the Pentagon's low intensity warfare section. Today, in a major potential embarrassment to the Administration, he told ABC News contra aid should stop.

(Noel Koch: "But if you are running a revolution where you have got to have that kind of outside financial support, you have to have your guns provided to you from outside, it is not going to work.")

With only months to convince the Congress that more contra funds should be appropriated, the Administration continues to insist that the insurgency can take root among the Nicaraguan people.

Zelnick continues:

(Abrams: "And if they get the sense that the contras are doing better and better, then that may be that thing that turns the psychological switch.")

That's why each disclosure of CIA involvement hurts the contras, both here and in Nicaragua it fuels the notion of an insurgency manufactured in Washington and kept alive only with external guidance and support. (ABC-2)

Rather: Government sources tell CBS News the CIA has been unable to establish an adequate airlift of supplies to the contras since taking over direction of the war effort. The problem is not enough pilots. It has also been made known in Washington that President Reagan is now switching strategies in Central America some, training the rebels now to make quick commando strikes against bridges, power plants and ports, those strikes based on CIA information. (CBS-2)

SAUDI ARABIA/CONTRAS

ABC's John Martin reports despite repeated denials from its embassy here, Saudi Arabian officials have been helping finance the contras in Nicaragua for sometime. The latest evidence comes in a secret letter Robert McFarlane sent last month to members of the Senate and House intelligence committees. According to a source close to McFarlane, the former national security advisor wrote just before his suicide attempt that he had not disclosed that the Saudi ambassador to the U.S., Prince Bandar, had voluntarily offer a million dollars a month in assistance to the contras. Later the sum was raised to two million dollars a month. Such contributions were not illegal at the time. Saudi Arabia has long looked to the CIA and the Pentagon for security and gotten it, so diplomatic and intelligence experts believe this secret financial arrangement was a way to return America's favor. (ABC-3)

SPECIAL PROSECUTOR/BOLTON

Brokaw: Assistant Attorney General John Polton told Congress today there are, "grave constitutional problems with the law that set up the special prosecutor investigations." This was the first time that the Reagan Administration has criticized the law which made possible the independent investigations of the Iran-contra scandal and of former Reagan aide Michael Deaver. (NBC-4)

ISRAEL/SANCTIONS

Brokaw: The government of Israel moved today to avoid another confrontation with the U.S. and imposed limited sanctions against South Africa. It announced a cutback in trade and cultural ties and cut off new sales of weapons.

NBC's Martin Fletcher: ...Reeling from the Iran arms affair and the Pollard spy scandal, Israeli leaders fell in line with Washington's demand that countries receiving U.S. military aid must cut military ties with South Africa. One official said Israel doesn't need yet another confrontation with the Americans.... Visiting American Jewish leaders believe that decision will improve Israel's relations with Washington.... (NBC-8)

Rather reports Israel has joined the growing list of countries to impose economic sanctions against the White minority government. Israel announced it will no longer sell arms to Pretoria.

CBS's Bob Simon reports from Tel Aviv on the major policy change. The decision was prompted by Jerusalem's anxiety over an upcoming Reagan Administration report that will name Israel as one of the world's main suppliers of weapons to South Africa, a finding which could jeopardize U.S. military aid to Israel. (CBS-3)

POLLARD SPY CASE

Brokaw: There was a major setback today in Israel's attempt to investigate it's role in the spy case involving American Jonathan Pollard. A lawyer for three key Israeli witnesses who allegedly dealt with Pollard in Washington advised them not to testify to a two-member commission. And the commission cannot force them to talk so as a result this commission may be forced to disband. (NBC-9)

IRAN/PENTAGON

Brokaw: What is the role of the U.S. military in the Persian Gulf war between Iran and Iraq? Pentagon sources said today that Iran now has been warned not to attack neutral shipping in the Strait of Hormuz. Iran recently installed missile batteries along the waterway and some nations in that area have asked the United States for protection. (NBC-7)

TEACHERS/DRUG TESTING

ABC's Richard Threlkeld reports the First Lady was touring Atlanta schools today on her Just Say No campaign against drugs, but it was her escort, Attorney General Meese, who made the news. (Attorney General Meese: "If there is any one place in our communities that we ought to keep free from drugs it is the schools.")

What Mr. Meese was saying was he thinks it is high time to start drug testing school teachers and announced the Justice Department is going to court on the side of a Long Island school district being sued by its teachers for trying to require drug tests as a condition for tenure. As you might expect, the response from teacher's organizations today was 'include us out'. Mr. Meese says that visibility is the point.

Threlkeld continues:

(Meese: "Well, obviously we talk about drug testing for people in sensitive positions I and don't anyone is in a more sensitive position as a role model for students than the teachers.")

Most of the school kids in Atlanta today seemed to like the idea. Right now Mr. Meese is suggesting testing just those 300,000 teachers who want to get tenure, but even though the federal government can't order it, he sees no reason why local school boards shouldn't subject all of America's 2.2 million teachers to what for a few might truly be a final exam. (ABC-5, CBS-8)

ECONOMY

Rather says the Commerce Department reports personal income rose 0.9% in February, the biggest increase since last April. Consumer spending was up 1.7%. It's all a good sign, but some economists still fear things may slow down later this year. (CBS-4)

INSIDER STOCK TRADING

CBS's Robert Schackne reports there are now charges of rigging the stock market and hiding stock ownership. Target of the new charges: prominent Los Angeles broker Boyd Jeffries, who agreed to plead guilty to two criminal counts of stock market fraud. (CBS-5)

AIDS

Rather reports one of the nation's largest drug companies is about to ask the government for permission to test a potential AIDS vaccine on humans. Bristol-Myers says it will make that request before the end of this month. (CBS-7)

CBS's Harry Smith reports what AIDS patients can't find is the money to pay medical expenses. (CBS-7)

COMMENTARY/BUDGET DEFICIT

NBC's John Chancellor: ...The federal government is going into debt at a frightening rate.... And nearly everybody knows that there is only one way to get a handle on the problem. Budget cuts by themselves won't do it.... The only thing that will work is that the government take in more money. And that's called raising taxes. But Fritz Mondale talked about raising taxes in the 1984 elections and he lost 49 states. Ronald Reagan is dead-set against any tax increase.... One Democrat isn't scared -- James Wright, the new Speaker of the House. Yet when Jim Wright says raise taxes most Democrats hide under their beds, and the Republicans cackle about the political death wish of the Democrats. The word for this is paralysis.... The people who represent us in government are supposed to lead, even when it hurts. What they're doing now is only trying to hold on to their jobs. (NBC-12)

-End of B-Section-

EDITORIALS/COLUMNISTS

SHULTZ & WEINBERGER

Reagan Right To Speak Up -- "We think President Reagan did the right and decent thing in speaking up for Secretary of State George Shultz and Secretary of Defense Caspar Weinberger, saying that he should have listened to them when they opposed the Iran arms sales.... What the public wants is evidence that the President has learned the right lessons, and that isn't accomplished by dodging responsibility or blaming others -- especially the ones who were right when he was wrong."

(Atlanta Journal, 3/17)

Shultz, Weinberger Are Welcome -- "The President looked terrible in the Tower report, and the secretaries of state and defense looked relatively good in comparison. There's no sense rushing to defend people who were right in the first place that trading with terrorists was a foolish policy."

(Dayton Daily News, 3/12)

STATE OF THE PRESIDENT

Reagan Deserves To Be Supported, Not Hounded -- "We all want the media to play watchdog, so long as the pursuit of a story does not become excessive and abusive. Attacking the President these days may be politically in vogue. But the real challenge before us is to put this aberration in an otherwise outstanding administrative record in proper perspective, and to recognize the political motives behind the vicious criticism by Reagan's liberal opponents."

(Thomas Scott, Minneapolis Star & Tribune, 3/12)

Reagan Revival Begins -- "Reagan must strike pre-emptively -- making himself more available than ever in the past to press conferences, to spontaneous queries from Congress and the public on things that matter to him -- defense, welfare, health care and the like. He cannot lead anymore from behind a public-relations Praetorian Guard, nor rely on the illusion of accessibility through photo opportunities choreographed to control prime-time news. He has to show not only that he is President, but also that he is presidential -- that he's the fellow who not only can sing tenor, but also lead the quartet."

(Oregonian, 3/6)

Reagan's Last 2 Years, II: Expand The Vision -- "Reagan articulated a vision of America that lifted the country out of Carter's self-limiting 'malaise.' Reagan's America is one where the native American qualities of optimism, drive, charity, and self-reliance reign, rather than government acting as 'Big Brother.'... It is time for Reagan to articulate anew his vision of America as a land of opportunity for all. He is a vision that has the potential to unite Americans across party and racial lines."

(New York City Tribune, 3/19)

EDITORIALS & COLUMNISTS (continued)

AFGHANISTAN

Nearer To Peace In Afghanistan? -- "Fortunately, indications are that the Soviets are eager to settle for a deal that will save face, protect their flank and encourage stability in Afghanistan. The West can nurture the process by recognizing Moscow's legitimate concerns while working to ensure that democracy's interest also get a fair hearing."

(Cleveland Plain Dealer, 3/14)

Propaganda Ploy -- "The United States, which has supported the freedom fighters throughout most of their struggle against overwhelming odds, must not abandon them now. President Reagan and Congress should, therefore, keep the pressure on the Soviet Union to accept a peace settlement that permits Afghanistan to pursue its own destiny. The best way to do that is through increased shipments of weapons and other requirements to the Afghan freedom fighters." (San Diego Union, 3/16)

POLLARD SPY CASE

Pollard Spy Case Is A Test For Israel -- "Israel has apologized and promised that the guilty will be 'called to account.' These vows are reassuring, but insufficient. Needed now are deeds, not words. Israel needs to punish, not protect, those who break the laws of their friends. Israel, in short, needs to do more than promise to cooperate with its own and with U.S. investigators; it needs to cooperate."

(Milwaukee Journal, 3/14)

Sure, Israel's Spying On Us Was Disappointing -- But No Surprise -- "Being outraged by the Pollard spy case is a cheap and futile emotional reaction. The real answer is for Americans to recognize and treat Israel as what is is: a friend who is dependent on the United States, but who will not hesitate to cross, or try to 'sucker,' the United States when Israel's own survival as a nation seems to require it."

(Carl Rowan, Chicago Sun-Times, 3/18)

Trust Among Friends -- "The United States is a democracy governed by laws, not by 'interests.' It is a big power. Militarily it has only one serious adversary, the Soviet Union -- to which it is not inferior. The US has to fear chiefly a corrosion of its own integrity. Israel is a small power. It is vulnerable in ways the US is not. But it must play by the same rules the US aspires to if it does not want to corrode the trust of its powerful friend."

(Christian Science Monitor, 3/19)

NEWS CONFERENCE

NETWORK COMMENTARY FOLLOWING THE PRESIDENT'S NEWS CONFERENCE

ABC

ABC's Ted Koppel: That little question that was asked at the end that you may or may not have heard could well prove to be one of most substantive and possibly even one of the most damaging questions and one of the most damaging answers that was posed. He was asked, 'you said that your Secretary of Defense and your Secretary of State objected to dealing with the Iranians and objected to that entire policy, what about the Vice President? Did he object?' And the President said no.

How did the press do, how did the President do?

Sen. Alan Simpson: I thought the President did very well. Today and tonight and in my times the past two weeks I really see him as getting both sides. I think that there was evidence tonight of a stability and soundness and he responded and he was his old self and I like that. I think he was very good at it.

Robert Strauss: There are two parts to a press conference. One is style and general impression and I think the President did quite well there, and particularly coming off the very bad last press conference he had. It seemed to me he also was speaking with some specificity and was not fumbling and he was accurate, speaking with more accuracy. On the other hand it was a dull press conference. It got the job done for him I think and it will help him. Presidents usually get help, as you know, out of a press conference. I think this president will get help out of this and deservedly so.

Hugh Sidey: Well, he wasn't bad, I'd give it about a B, but considering the degenerate nature of the institution of the East Room press conference, it is about as good as you can get.... He survived, so on that basis I would say that's enough.

Howard Rosenberg, LA Times Media Critic: Well, I think he did a very strong B. It seems to me during every Reagan appearance there is a point at which you no longer listen to his words and begin watching his face and focusing on his face, and I think that happened during his press conference. He began very nervously, I thought, but gradually gained momentum and gained presence.

Michael Gartner, Louisville Courier-Journal Editor: I wouldn't give the President an A or a flunk, I guess I would give both the President and the press a C.

Sam Donaldson: Ronald Reagan is back from the standpoint of style, if that is what you are looking for. He was number one tonight. Fifty years in Hollywood came right through.... But from the standpoint of substance the President still has a problem with some of the important points of this whole story....

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CBS

CBS's Dan Rather: Well rehearsed, heavily perspiring, seemed to be in charge and in command -- with a level of regret about the policy -- saying if he had to do it over again, no he probably wouldn't do the weapons for Iran deal. But there was something short of an outright apology. The President also said that he denied that he had ever been told about the money that came from the weapons for Iran deal. He said he still didn't know where the money had gone. Reagan insisted the sale of arms to Iran was an idea that originated with the Iranians. He said he didn't think that Iran could give orders to the Hezbollah. Reagan said he doesn't believe that the policy started out to be an arms for hostages swap.

CBS's Bruce Morton: I don't think it's a question of what the President said, so much as the way he said it. It's not that there was a lot of new information in this. I think people are going to remember is that the President seemed in command of his facts, seemed presidential, seemed in control of this news conference -- even to the point where he could make a one-liner once or twice. I think he made a good impression.

Rather: The President seemed to be perspiring, any particular significance to that?

CBS's Bill Plante: He seemed to be more at ease than he was four months ago. Although it has been such a long time it's hard to remember. He had been pretty carefully rehearsed as you probably noticed. He was using notes for a lot of this. It seemed to be smoother sailing than it was the last time. As it has been mentioned before, people at the White House are more concerned about the impression he makes. If you noticed he was perspiring, maybe the others did. And maybe that won't be good. Generally, people think the viewers pay more attention to how he looks than what he says, and he looked a little better than he did four months ago.

NBC

NBC's Tom Brokaw: A little bantering there between the President and the White House press corps tonight, both on their very best behavior. The President with an earnest defense of his decisions and his policies in the Iran-contra affair. A little bit of news there at the end -- the President saying that Vice President George Bush did not, in fact, raise any objection to the sale of arms to Iran. The President saying tonight once again that he was not aware of any money being diverted from that Iran arms sale to the contras. He said he had no doubt that he gave the O.K. for Israel to sell those arms but he does remember at what point or where he may have given that authorization. He said...that he would not go down that road again, but the President still was defending his original decision. He had no thought of hostages originally. He said it came up only when the Iranians asked for some arms, they said they couldn't do that kind of business with a terrorist nation, and so the Iranians said, "We'll prove that we're not a terrorist nation."

Brokaw continues:

We'll release some hostages." That's how the President said the whole matter of hostages came up. And finally the President defended the action of Oliver North and John Poindexter in arranging for private money for the contras. He said that that was not a violation of the congressional ban. The President also defended his management style tonight. President Reagan, in what many people have said is the most important news conference of his six years in the presidency that could very well determine how it goes for the next two years.... John Dancy, what do you think will be the congressional reaction to this?

John Dancy: Congress had very low expectations about this speech. I talked to a number of members who said that really the bottom line was all the President had to do was get through it without making any major mistakes, and of course, he did that. The President, of course, has had to take his lumps in Congress. The Majority Leader of the Senate, Bob Byrd, took the floor today to say that there's still a nagging suspicion on the part of the American people that they aren't being told the truth. And I'm afraid the President didn't really allay those suspicions tonight when he said, "I won't tell falsehoods to the American people -- I'll leave that to others." That may have just been a quip, but it is probably not going to allay those suspicions.

Brokaw: Chris Wallace, as you watched and listened to what the President had to say tonight, what was your assessment of his performance and the answers that he gave?

Chris Wallace: Well, I think his performance was first-rate. The President was clearly ready for this news conference, clearly far better briefed than he had been for the one four months ago. So in a stylistic sense of just showing command I think he did very well. I thought a lot of his answers were clever, but I think he's going to have some problem selling them up on the Hill and to the American people. For instance he says that his statement back in the November news conference where he denied any Israeli involvement, he now says that was inadvertent. He said it four times. He also says that yes he did meet with contra supporters but it was only to thank them for having put ads on the air. The fact was they were contributing millions of dollars for guns and other lethal weapons and other ammunition things down to Nicaragua. I think that those are very clever arguments and I think he may have some trouble convincing people that they are completely honest.

Brokaw: Chris, the President was firm once again, however, that he had no recollection, that he in fact absolutely did not know about the diversion of funds to the contras. He said at one point tonight had that been raised with him you would have heard him from his Oval Office without the door having been opened. He feels very strongly apparently, or at least that's the impression that he wants to leave.

Brokaw: The feeling from the very beginning here has been that there are embarrassments, the President is taking a lot of hard knocks, but that this case, his presidency, really rises or falls on that central question -- did he know about the diversion of funds -- and there has been absolutely no crack at the White House on that at all. They have maintained firmly, as the President did tonight, he did not know -- he was never told by North or Poindexter -- despite a lot of suspicions that in fact he did know a good deal more about it.

Brokaw: Where does the President go from here?

Wallace: I think they're simply going to press ahead. He's going out next week for his first out-of-town trip this year since his prostate surgery -- going to Missouri to sell his competitiveness program. The week after that he goes to Canada for a summit. So their feeling is his presidency is back in gear and the best way to stop us from talking about the Iran arms scandal is to get us talking about something else.

Brokaw: ...President Reagan at what probably was the most important news conference of his presidency....